THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. Under the Differential Rates of Interest (DRI) Scheme, scheduled commercial banks can provide individual loans up to Rs. 15,000/- at concessional rate of interest of 4% p.a. to the weaker sections for engaging in productive **and** gainful activities. The Scheme requires that not less than 40 per cent of the total advances granted under DRI Scheme go to Scheduled Castes/Scheduled Tribes. Recently, the Reserve Bank of India (RBI) has revised the borrower's eligibility criteria for annual family income under DRI Scheme from Rs. 6,400 to Rs. 18,000 in rural areas and from Rs. 7,200 to Rs. 24,000 in urban areas. In addition, members of SCs/STs satisfying the income criteria of the Scheme can also avail of housing loan up to Rs. 20,000/- per beneficiary over and above the individual loan of Rs. 15,000/- available under the Scheme. No guarantee is required for these loans, provided they satisfy the laid down eligibility criteria for the Scheme.

No collateral is required for loans to Small Scale Industry units up to Rs. 5 **lakh.** For union In the service and business sector, no collateral is required for projects upto Rs. 2 lakh. CGI MSE (Credit Guarantee Fund Trust for Micro and Small Enterpirses) also extends credit guarantee cover for collateral free loans upto Rs. 50 lakhs by Member Lending Institutions (Scheduled Commercial Banks, selected Regional Rural Banks and other lending institutions).

(b) As reported by RBI, they do not collate data separately on credit facilities provided to Scheduled Castes/Scheduled Tribes youths.

Use of muscleman for recovery of loans by banks

2419. SHRI N.R. GOVINDARAJAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that the Private Sector Banks are using muscleman to recover loans;

(b) if so, the details thereof;

(c) whether most of such complaints have been registered against ICICI Bank; and

(d) if so, the details thereof and the action taken by Government against such complaints and banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Reserve Bank of India (RBI) has taken up with banks, for appropriate action, the media reports in respect of the banks engaging musclemen and harassing the defaulting customers for recovery of loans. In many such instances, the excesses were alleged to have been committed by the recovery agents of the resepctive banks. The number of complaints of alleged harassment received against ICICI Bank has been more.

In view of the alleged harassment of customers by ICICI Bank's recovery agents, and the judgement of Hon'ble Supreme Court, on an appeal (No. 267 of 2007) filed by ICICI Bank Ltd. against the order of the Allahabad High Court in respect of a case filed by one of the borrowers of the bank, Smt. Prakash Kaur, the bank was advised by RBI in August 2007 to investigate and take action against the recovery agents involved, review at the highest levels the system of appointing/reviewing perfbmwv.: e of recovery agents, undertake comprehensive review of customer complaints, etc. In October, 2007, RBI, also advised the Bank that if such incidents recur in future, RBI would be constrained to take strern action.

In the Mid-Term Review of annual Policy Statement (dated October 30, 2007), RBI has observed that in view of the rise in the number of litigations against banks for engaging recovery agents in the recent past, it is felt that the adverse publicity could result in serious reputational risk for the banking sector as a whole. RBI has urged banks to follow prescribed guidelines while engaging recovery agents and has clarified that complaints received regarding abusive practices followed by a bank's recovery agent would invite serious supervisory reisapproval. RBI would considef imposing a temporary ban (or even a permanent ban in case of persistent abusive practices), for engaging recovery agents, on those banks where strictures have been passed/penalities have been imposed by a High Court/Supreme Court or against its Directors/Officers with regard to the abusive practices followed by their recovery agents.

RBI has also placed on its website, on 30th November, 2007, draft Guidelines for Banks engaging Recovery Agents for feed back. Based on the feedback received from banks/ individuals/organisations, the guidelines have been revised and a second draft has been issued on 25th March, 2008 for feedback. These guidelines cover various operational issues concerning engagement of recovery agents by the banks, methods to be followed by them for recovery of dues, training for the recovery agents, procedure for taking possession of property mortgaged/hypothecated to the banks, etc. The banks have also been advised to strictly abide by the codes pertaining to collection of dues.

Dividend declared by PSUs

†2420. DR. MURLI MANOHAR JOSHI: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that the industrial institutions working in public sector in the country have declared a dividend worth Rs. 21,574 crores for their share holders upto the end of December, 2007;

(b) if so, the details in this regard; and

(c) the share of dividend of institutions working in petroleum and financial sectors out of this?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) and (b) As per Public Enterprises Survey 2006-07, which was laid in Parliament on 28.2.2008,106 Central Public Sector Enterprises (CPSEs) taken together declared dividend worth Rs. 26805 crore during 2006-07. The enterprises wise details are given in Statement No. 4 of Volume 1 of Public Enterprises Survey 2006-07.

(c) The share of dividend declared by CPSEs working in Petroleum (including exploration/ crude oil) and Financial Services sectors works out to 44.93% and 3.11% respectively of the total dividend declared by CPSEs, during 2006-07.

Functioning of PSEs in Andhra Pradesh

2421. SHRI C. RAMACHANDRAIAH: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Ministry has taken any initiative to declare greater autonomy to the Public Sector Enterprises (PSEs) and also the professionalisation of their Boards;

† Original notice of the question was received in Hindi.